

Alliance ALERT!

Fall

A Publication of the Employer Alliance for Affordable Health Care

2004

Members Make a Personal Plea

A 40-minute meeting with a key aide to Senator Thomas Libous (R-52) resulted in a substantial savings in small business health insurance costs.

In June, five business owners from Broome and Chenango counties – all members of the Employer Alliance and constituents of Senator Libous – sat down with District Director Rayan Aguam to share their insurance concerns and stress the need for relief from the mental health bill. Attending the meeting were Si Mathey from Electroform Corp. in Binghamton, Robert Sedor and Tom Surowka from the Bay Ridge Group in Endicott, Sally Follett from S.E.C.O. Industrial Rehab in Norwich, Doug Retter, The Bug Killer, from Lisle and Richard Dobell from SIEBA Ltd. in Endicott.



Alliance members outside of Senator Libous' district office in Binghamton.

Senator Libous sponsored a mental health mandate which experts believe will increase premiums from \$163 million to \$613 million annually. After an outcry of protest from our members, the Senator amended his proposal to exempt businesses with less than 50 employees from the requirement.

While we continue to oppose all health insurance mandates, this amendment shows that we are making progress and demonstrates that lawmakers are beginning to recognize the financial impact of rising health insurance premiums.

Outlook 2005

In just a few months 212 state lawmakers will convene for a new session and the topic of health care is again expected to dominate negotiations.

At the forefront of this new year is renewal of the Health Care Reform Act (HCRA). This legislation distributes nearly \$50 billion over three years and provides the foundation for New York's hospital reimbursement system using money raised from premium payers. Businesses will likely be asked to increase their contributions to this system in the form of higher taxes and assessments on health care services.

As we've come to expect, many of the hundred mandate bills introduced last year are expected to return. There will be continued debate on expanding mental health benefits, a renewed push for covering sperm storage, calls for hearing aid coverage and many others.

Our work is not finished. New York needs a system that makes sense. We will continue to push for a moratorium on all mandates until New York establishes a system to determine their cost and medical efficacy *prior* to legislative action. Look for future newsletters to keep you posted on these and all other issues of concern throughout the legislative session.

Coming Soon!

Alliance Alive '05

The Employer Alliance for Affordable Health Care is alive & kicking with a growing membership base & increasing influence in the State Legislature.



But the clock is ticking...

Up & Away!

Membership Skyrockets in '04

It may be the economy, rising premiums or both, but whatever the cause, a record number of businesses joined the Employer Alliance for Affordable Health Care this past year. Now at 2,300 members, we have become a stronger force in the battle for affordable health insurance.

In 1997, a handful of business owners joined together to oppose legislative approval of health insurance mandates. Today the group is the largest single-issue grassroots business coalition in New York State. Our mission remains the same: To educate state lawmakers on the financial burden of health insurance mandates. By passing laws that require insurance carriers to provide specific treatments and services, they increase premiums for small businesses and sole proprietors while excluding companies that self-insure. If you know of other businesses that would like to join our organization, call Pamela Finch at (315) 363-9657.

"Bug Killer" Faces a New Foe

He must have a sense of humor to name his business "The Bug Killer" – but start talking about health insurance and the smile immediately disappears from Doug Retter's face.

Doug runs a small exterminating company in Lisle. While he would like to give his two employees the option of health insurance coverage, he can't even afford a policy for his family. It's just a matter of dollars and sense, he says.



Last year he tried purchasing a high deductible plan for his business. The combination of premium costs, 20 percent coinsurance and \$4,800 deductible were too much for a small company with limited resources.

Believing that actions speak louder than words, Doug sends letters, signs petitions and made a personal visit to his Senator's district office this spring. He wants lawmakers to know that for small business owners like himself, every dollar counts.

Mental Health Mandate: The Truth Behind the Assembly "Compromise"

In a last-ditch effort to appease small business concerns, the Assembly ended the year with a revised mental health mandate that offers tax credits in return for unlimited mental health coverage. While this change reflects an effort on their part, A.11694 falls short of addressing the key issues of affordability and equity for our members.

Currently there are two versions of this bill in the Legislature. The Senate version (S.7296A) would exempt small businesses completely. The Assembly bill includes a three percent tax credit to businesses with 2 to 50 employees and an income of less than \$290,000. However, lawmakers failed to disclose that the cost of providing these services is more likely to exceed the three percent tax credit proposal. The Assembly tax credits are not the answer. Small businesses need real relief.

2003-04 Highlights

This was a time of sustained growth in size and activities. Highlights include our largest membership drive ever, multi-endorsed letters and more.

Here's a quick look at some of what we've accomplished with your help.

We Continue to Grow

- The Employer Alliance is now 2,300 members, an increase from 1,150 members one year ago.
- More than half our members are businesses with five or less employees, 331 are sole proprietors, 200 members have more than 50 employees.
- Members include 40 chambers of commerce, 163 farms, 64 auto-related businesses and 20 members in heating, plumbing or electricity.

Participation is Key

- Website advocacy strengthened. We issued two alerts over the past six months. 267 members successfully used the website to send 2,000 messages to their legislators. This doubles the number (133) of members that were "cyberactivists" in 2003.
- More than 200 members generated around 850 postcards to legislators.
- Successful multi-endorsed letter to select lawmakers.
- We held our first Alliance-sponsored district office meeting with a lawmaker.

YOU MAKE THE DIFFERENCE!
WWW.EMPLOYERALLIANCE.COM

New York is in the midst
of a health insurance crisis.



Business people like you depend on the Alliance to help control the outrageous costs of mandates. In 2004, we saved our members a cumulative \$500,000* just by defeating a single mandated service.

Now, we face the challenge of keeping our organization alive and healthy. Over the next few months, we will introduce the

Alliance Alive '05 Matching Grant Challenge:

an effort that will provide the resources we need to keep fighting to make health insurance affordable.

Watch for information.

**Alliance members keep
the Alliance alive.**

*based on the cost of a family policy.

Reynolds Joins Board of Directors

The Board of Directors appointed Jody Reynolds of Binghamton to serve on the Employer Alliance governing board at the annual meeting in August.

Reynolds is finance manager at Reynolds Book Bindery, LLC, a company she co-owns with her husband. She replaces Brian Clark of Syracuse who resigned at the close of his two-year term.

The Write Stuff

John Hancock understood the power of the pen. Do you?

Nearly 500 members signed a petition delivered to their state Senator, expressing their opposition to new health insurance mandates, including mental health parity. This petition came on the heels of a similar initiative delivered to the Assembly which garnered another 200 signatures. The outcome speaks for itself. The Assembly and Senate ended their session in a stalemate. It appears that any type of bill considered in the future would mitigate the impact of the mandate on small businesses. Thank you to all the members who supported this tremendous effort! Your hard work is responsible for this success.



Actions Speak Louder Than Words

Our Legislative Report Card is one of the best resources available to determine your lawmaker's record on health insurance issues. All members receive this important decision-making document absolutely free.

Each year we review the voting record of every NYS lawmaker to evaluate their response to issues that impact health insurance premiums.

This year, the 2003 Legislative Report Card includes a new, cumulative grade that evaluates each Senator and Assembly members' voting record over the past three years. Individual grades are formulated using information about each legislator's bill introduction record and other variables that demonstrate a commitment to affordable health care.



Only 10 lawmakers earned a cumulative grade of "A." They are: Assembly members Thomas Barraga, David Townsend, Robert Warner, Robin Schimminger and Senators Hugh Farley, Ray Meier, James Wright, Dale Volker, James Seward and Randy Kuhl.

Copies of the 2003 Legislative Report Card were mailed to our members in October. The document is also available on our web site: www.employeralliance.com.

“Simple Life” Encumbered by Insurance Woes

The challenge of operating a dairy farm pales in comparison to the challenge of finding affordable insurance, says Marcy Matis of Fort Plain who divides her days between raising calves, milking and working full-time in a veterinary office. She works the second job so her family can be covered by health insurance. Her husband, Bruce, is a second-generation dairy farmer. For many years health insurance was a necessity he could not afford.

“A few years ago a piece of metal impaled my eye,” Bruce said. “We paid the doctor’s bill out of pocket. Since then we’ve been lucky, but I can’t imagine what we would have done if that was not the case.”

The Matis family operates a medium-sized farm with 140 cows. Bruce is paid \$1.43 per gallon for the milk that his cows produce. In order to afford the \$7,867 annual premium for health coverage he would need every one of his cows producing for five days straight – something that, as any farmer would tell you, just isn’t realistic. In addition, Bruce and Marcy would not be able to pay any other bills.

The Matis family is not alone in their struggle to obtain basic, affordable health insurance coverage. The NYS Census bureau estimates that of the three million New Yorkers who are uninsured, 65 percent work full-time. Supported by people like Bruce and Marcy Matis, the Alliance is fighting for change through letters, post cards and e-mails to Albany which tell lawmakers that small businesses can’t foot the bill alone. New York needs a rational system that makes basic coverage affordable and accessible to all.



The Matis family has operated a family-run dairy farm in Fort Plain for more than 50 years. For years Bruce struggled to find affordable health insurance. His wife, Marcy, now works a second job to pay for their coverage.

New Studies Highlight The Health Insurance Affordability Crisis

Two important reports were issued this summer which highlighted the growing crisis in health care affordability and mandates.

June 2004 Families USA One-in-Three: Non-Elderly American without Health Insurance: This report found that 5.6 million New Yorkers were without health insurance for all or part of 2002 and 2003. This estimate nearly doubles the census estimate (just below 3 million) because of differing methodologies. Many view this study as a more accurate representation as it calculates the uninsured over the entire year and not a single point in time. When you eliminate individuals over 65 (covered by Medicare), an astounding one-out-of-three New Yorkers went without coverage during this period.

July 2004 Joint Report by the Federal Trade Commission and the Department of Justice: This report focused on health care competition issuing several recommendations including one that cast doubt on state insurance mandates. Specifically, they called for state legislators to establish systems to identify services not currently covered for which premium payers are willing to pay additional costs. The report stated that without a system, mandates would continue to reduce competition, restrict consumer choice and raise the cost of health insurance.

Employer Alliance for Affordable Health Care

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to Keep Health Insurance Affordable*

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